

KATE McKENNA, AICP
Executive Officer

**MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY**

Adopted on February 23, 2009

*An audio recording of this meeting is available at the LAFCO office. Please contact us
at (831) 754-5838 to arrange a time to listen or to order a copy.*

Regular Meeting

Monday, December 1, 2008, 4:00 p.m.

**Board of Supervisors Chambers
Monterey County Government Center
168 West Alisal, First Floor
Salinas, California**

The meeting of the Local Agency Formation Commission (LAFCO) of Monterey County was called to order, by Chair Donohue at 4:07 p.m. in the Monterey County Board of Supervisors Chambers. Chair Donohue led the Pledge of Allegiance.

ROLL CALL

Members Present

Commissioner Donohue, Chair (*City Member*)
Commissioner Salinas, Vice-Chair (*County Member*)
Commissioner Calcagno (*County Member*)
Commissioner Champion (*Special District Member*)
Commissioner Darington, Alternate (*Public Member*)
Commissioner DiMaggio (*Public Member*)
Commissioner Perkins (*Special District Member*)
Commissioner Rubio (*City Member*)

Members Not Present, Presence Not Required

Commissioner Armenta, Alternate (*County Member*)
Commissioner Gourley, Alternate (*City Member*)

Staff Present

Kate McKenna, AICP, Executive Officer
Thom McCue, AICP, Senior Analyst
Leslie Girard, LAFCO General Counsel
Richard Egger, LAFCO Special Counsel
Rachelle Jones, LAFCO Clerk

Item 4 Special Business

4.a Oath of Office for Re-Appointment of City Member (Alternate) Commissioner Matt Gourley (Administered by Chair Donohue)

Commissioner Gourley was not present to take the Oath of Office.

Upon Motion of Chair Donohue, there being no objections, Oath of Office for Re-Appointment of City Member (Alternate) Commissioner Matt Gourley was continued to the next Regular LAFCO meeting to be held on January 26, 2009.

Item 5: Minutes

5.a Approval of Minutes of the October 27, 2008 Regular LAFCO Meeting.

There was no public comment for this item.

Upon Motion of Commissioner Rubio, seconded by Commissioner Perkins, minutes of the October 27, 2008 regular LAFCO meeting, were unanimously approved.

Item 6: Public Comment:

Paul Ingraham of Carmel Valley provided information on the 50th Annual “Santa’s Fly-in” to take place in Carmel Valley on December 13, 2008. He urged support of the Carmel Valley Recreation and Park District.

Item 7: Commissioner Comment:

None

Item 8 (a-c): Consent Agenda:

There were no public or Commission comments for this item.

Upon Motion of Commissioner Salinas, seconded by Commissioner Perkins, Consent Agenda Items (a-c): Register of Checks Paid in October 2008, Legislation Status Report, List of Anticipated Future Agenda Items, were unanimously accepted.

Item 9: New Business

9.a Consider Draft Year-End Financial Statements for Fiscal Year 2007-08.

9.b Consider Draft Year-End Audit for Fiscal Year 2007-08.

Items 9.a and 9.b were taken in block. Executive Officer McKenna requested report from the Budget and Finance Committee. Committee Chair Rubio reported on the year-end audit for fiscal-year 2007-08. He explained that LAFCO had received an unqualified opinion which is the highest rating that a public agency can receive. Karen Campbell, CPA, Bianchi, Kasavan and Pope provided details of the year-end financial statements and audit for fiscal year 2007-08 and reiterated Commissioner Rubio’s comments concerning the audit opinion.

Upon Motion of Commissioner DiMaggio, seconded by Commissioner Salinas, New Business Items 9 (a-b): Consider Draft Year-End Financial Statements for Fiscal Year 2007-08 and Consider Draft Year-End Audit for Fiscal Year 2007-08, were unanimously accepted.

9.c Consider Draft First Quarter Financial Statement for Fiscal Year 2008-09.

Executive Officer McKenna provided staff report. Committee Chair Rubio commented on a policy that will be brought back to the Budget and Finance Committee regarding authorization of Executive Officer expenditures without prior Commission approval.

Upon Motion of Commissioner Salinas, seconded by Commissioner Rubio, Draft First Quarter Financial Statement for Fiscal Year 2008-09, was unanimously accepted.

Item 10: Public Hearing

10.a Consideration of any Protests relating to the Approved Consideration of the Proposed “Cornnuts Annexation” Involving the Annexation of Approximately 52.49 Acres to the City of Greenfield and the Detachment of This Area from the Resource Conservation District of Monterey County. The Area, Northwest of Central Greenfield, is Roughly Bounded by Cherry Avenue on the North, Walnut Avenue on the South, 10th Street on the East, and 12th Street on the West. (LAFCO File 08-03)

Senior Analyst McCue provided staff report.

There was no public comment for this item.

Commission Action

Upon Motion of Commissioner Salinas, seconded by Commissioner Rubio, Conducting Authority Resolution, ordering the “Cornnuts Annexation to the City of Greenfield” of approximately 43 acres (LAFCO FILE 08-03), was unanimously adopted.

10.b Consideration of the “Seven Areas Annexation” Involving an Update of the Sphere of Influence and Annexation to Salinas Rural Fire Protection District of Approximately 15,531 Acres. (LAFCO File 08-05) The Seven Areas Are:

- i. **Unincorporated Fort Ord Area (Approximately 8,128.2 Acres) Consisting of the Majority of the Unincorporated Portion of Fort Ord, Including Approximately 448 Acres Within the California State University at Monterey Bay;**
- ii. **Olmsted Road Area (Approximately 77.6 Acres) Southeast of the Intersection of Highway 68 and Olmsted Road;**
- iii. **Panziera Area (Approximately 704.7 Acres) Immediately North of the Intersection of Reservation Road and Inter-Garrison Road and Across Reservation Road from the New East Garrison Development;**
- iv. **Jefferson Ranch Area (Approximately 169.4 Acres) North of the Marina Municipal Airport;**

- v. **Upper Calera Canyon and Underwood Road Area (approximately 4,928.6 acres) at the End of the Calera Canyon Road, South of Corral de Tierra Road, and Southeast of Corral de Tierra Road and Adjacent to Underwood Road;**
- vi. **Upper Limekiln Road Area (approximately 1,254.6 acres) at the End of Limekiln Road, Southwest of Chualar, Along River Road; and**
- vii. **Jacks Road Area (approximately 267.9 acres) North of Jacks Road and Northwest of Iverson Road and Adjacent to the Handley Ranch Quarry (East of Chualar).**

Senior Analyst McCue provided staff report.

Chair Donohue opened this item for public comment.

Public Comment

Chief Mike Urquides, Salinas Rural Fire Protection District, thanked staff for bringing this proposal forward in a timely manner.

Chair Donohue closed this item to public comment.

Commission Action

Upon Motion of Commissioner Rubio, seconded by Commissioner DiMaggio, Resolution Making Determinations Approving the “Seven Areas Annexation” Involving an Update of the Salinas Rural Fire Protection District Sphere of Influence and Annexation of Approximately 10,604 Acres and the Annexation of Approximately 4,929 Acres Within the Existing Salinas Rural Fire Protection District Sphere of Influence (Total Acreage is 15,532) (*LAFCO File No. 08-05*), was unanimously adopted.

10.c Further Proceedings on the Proposal to Incorporate the Town of Carmel Valley (*LAFCO File No. 03-10*)

Executive Officer McKenna provided brief report on this continued item. The public comment period closed at the November 25, 2008 Special LAFCO meeting.

Chair Donohue requested Commission comments.

Commission Comments and Action

Commissioner Rubio explained that he has severe reservations with moving forward with the proposal to incorporate the Town of Carmel Valley based on its fiscal feasibility. He also expressed concerns with the lack of enhancements the proposed town plans to provide, because most services are to be provided through contracts with the County of Monterey. In addition, he said that he does not feel that the information provided in the fiscal analysis accurately depicts costs related to operating a city including the cost associated with a major cost for flood control.

Commissioner Calcagno read 19 pages into the record which contained information regarding his view of the proposal to incorporate the Town of Carmel Valley. The main points of the document are as follows: Overview, Impact on Monterey County residents, Impact on Carmel Valley residents, and Conclusions. (Please see addendum to these minutes for complete document read into the record by Commissioner Calcagno).

Commissioner Perkins commented on increased fire protection costs and questioned difference between areas excluded and those included in the Town boundaries, particularly Rancho San Carlos and Tehama. He does not see any distinction for excluding one and not the other from the incorporation boundaries. He also commented on the lack of support from residents west of Quail Lodge.

Commissioner Darington discussed fiscal and boundary concerns. He explained that he was disappointed with the depth of supporting data provided in the fiscal analysis. He added that it is LAFCO's duty to set the boundaries and to review the fiscal feasibility of an incorporation proposal.

Commissioner Salinas said that he echoes many of the sentiments provided by Commissioners Rubio and Calcagno. He expressed concerns with the difficult financial times that we are facing. He continued by explaining that local government is being expected to provide more services with less revenues. He agreed that the true costs and impacts for contracting with the County for services to the proposed new town need to be recognized. He added that businesses are seeing reduced revenues and that needs to be examined in determining the fiscal feasibility of the proposed incorporation. He also added that he would not be opposed to adjusting the boundaries to exclude Tehama from the proposed town.

Commissioner DiMaggio read nine pages into the record which contained information regarding his view of the proposal to incorporate the Town of Carmel Valley. Main points of the document are as follows: "Opting out" and Surveys, Socio-economic & Cultural, and Fiscal. (Please see addendum to these minutes for complete document read into the record by Commissioner DiMaggio).

Commissioner Champion read seven pages into the record which contained information regarding his view of the proposed town. Main points of the document are as follows: Fiscal Data in the EPS and ERA fiscal analyses, Culture, Revenues, Independent Special Districts, and Conclusions. (Please see addendum to these minutes for complete document read into the record by Commissioner Champion).

Chair Donohue provided comments on three main points: the issue of opting-out, concerns with the fiscal feasibility of the proposed incorporation, and the proposed boundary. In the interest of limiting conflict, he said that he would like to consider individual requests for opting-out but that he realizes LAFCO is not including that as part of the action on the proposal. He said that he does not believe fiscal numbers are ever completely accurate. He added that he agrees with excluding Tehama from the boundary.

Upon Motion of Commissioner Calcagno, seconded by Commissioner Perkins, the Tehama subdivision (AREA 14 as described in the Executive Officer's Report) was removed from the boundary and Sphere of Influence of the Proposed Town of Carmel Valley (*LAFCO File No. 03-10*), by the following vote:

AYES: Commissioners Calcagno, Perkins, Champion, Donohue, Rubio, and Salinas
NOES: Commissioner DiMaggio
ABSTAIN: None
ABSENT: None

Upon Motion of Commissioner Calcagno, seconded by Commissioner DiMaggio, Resolution Making Findings and Determinations for the Approval of the Incorporation of the Town of Carmel Valley and its Compliance with the California Environmental Quality Act, The Determination of the Town's Sphere of Influence and Boundaries, and Requesting that the Monterey County Board of Supervisors Set an Election: A) To Ratify the Incorporation and B) to Elect a Town Council Pending the Incorporation's Ratification including changes recommended by the Executive Officer in the November 25 Report Addendum (*LAFCO File No. 03-10*), was adopted by the following vote:

AYES: Commissioners Calcagno, DiMaggio, Champion, Donohue, Perkins, and Salinas
NOES: Commissioner Rubio
ABSTAIN: None
ABSENT: None

Item 11: Executive Officer's Report

Executive Officer McKenna reported on a request from the City of Soledad to review an Environmental Impact Report for the proposed Miravale III development northeast of the current city limits. The letter will be prepared and submitted to the City of Soledad. A copy of the letter will be brought back to the Commission for review at the next regular LAFCO meeting to be held on January 26.

Item 12: Correspondence

There were no additional items of correspondence.

Item 13: Closed Session

Commission did not convene into closed session.

Item 14: Adjournment

On motion of Chair Donohue, there being no objection, the meeting was unanimously adjourned at 6:21 p.m. to the next Regular LAFCO Meeting to be held on Monday, January 26, 2009 at 4:00 p.m. in the Board of Supervisors Chambers, 168 W. Alisal St., First Floor, Salinas, California

Respectfully Submitted,

Rachelle Jones
LAFCO Clerk